

NEW HAMPSHIRE INSURANCE DEPARTMENT

INSTRUCTIONS and GUIDELINES

SUBMISSION OF METHODOLOGIES AND MODELS USED TO ESTABLISH TOTAL LOSS VALUATIONS UNDER INS 1002.15(a)(1)

July, 2007

1. All submissions should be made on paper and **not** filed electronically.
2. There should be a clearly identified tracking number, assigned by the filer and included on the cover letter, unique to the particular submission/filing.
3. There should be clear reference or identification as to the particular version, or modification to a previously filed version, of the methodology being submitted; every page submitted should show the referenced version, including an edition date if applicable.
4. Every page that contains confidential and proprietary information should show in either the header or the footer wording to that effect.
5. There should be included with the submission a copy of the cover letter, along with a stamped, self-addressed envelope, to facilitate the Department's acknowledgement that the methodology is acceptable.
6. The submission should include:
 - a. A cover letter which identifies the filer, provides a tracking or reference number, introduces the submission, and provides a contact name (including their position, phone number, mailing address and e-mail address)
 - b. A filing memorandum which describes the submission; the memorandum should include a table of contents and list of supporting exhibits and attachments
 - c. A complete description of the model or methodology:
 - i. name and identification by number, edition, date, or some combination
 - ii. a narrative about the methodology or model – how is it designed
 - iii. all assumptions used in creating the methodology or model
 - iv. the data base – sources of the data, volume of data records, how it is collected, frequency of updates, adjustments, edits
 - v. statistical algorithms or formulas used by the methodology or model to convert actual data to estimated fair market valuations; include any hierarchy or weighting applied to various data elements
 - vi. statistical and empirical validation methods used to test the methodology or model and the results of such tests
 - d. Sample reports and outputs that would be given to consumers, insurers and others showing real situations reflecting likely loss events that one would expect to see in New Hampshire
 - e. A list of clients who purchase the methodology or model and their uses of available services

7. After review and acceptance, the Department will return the copy of the cover letter to the filer, with a stamped acknowledgement, indicating the date from which the methodology or model is available for use in New Hampshire.
8. Throughout the balance of 2007, the published list of accepted methodologies or models will be updated and posted on the Department's web site each time a new methodology or model is accepted. As per the regulation, the list will be updated January 1, 2008 and annually thereafter.
9. After the initial submission and acceptance, only revisions to the actual methodology or model as described in 6.c. above must be submitted and accepted before they can be used. Regular updating of data (weekly, monthly, annually) assuming it happens according to the process as described under 6.c. above, does not require a submission.
10. On or after October 1, 2007, insurers may only rely on those methodologies or models which are included on the Department's published list of accepted methodologies or models. Insurers are not required to and should not submit filings that advise the Department of the methodologies or models they are using. The only exception is if a particular insurer has developed its own methodology or model.
11. Questions should be addressed to:

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